



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Kathleen Clarke
Executive Director

Lowell P. Braxton
Division Director

1594 West North Temple, Suite 1210
PO Box 145801
Salt Lake City, Utah 84114-5801
801-538-5340
801-359-3940 (Fax)
801-538-7223 (TDD)

November 21, 2000

Robert Steele
1055 North 400 East
Nephi, Utah 84648

Re: Acceptance of Notice of Intention to Commence Small Mining Operations, Grouse Creek #1 Project, S/003/063, Box Elder County, Utah

Dear Mr. Steele:

Thank you for your Notice of Intention to Commence Small Mining Operations and initial permit application fee, received by the Division on November 9, 2000. The proposed Grouse Creek #1 Project is located in the NE1/4 and NW1/4 of Section 26, T9N, R19W, SLBM, Box Elder County, Utah. The application is considered complete and no additional information is required by the Division at this time. As this project is located on BLM managed lands, we have forwarded a copy of your notice to the BLM. You must receive approval from the Salt Lake Field Office prior to creating any surface disturbance.

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.

The Utah Mined Land Reclamation Act of 1975 [40-8-7(I)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee.

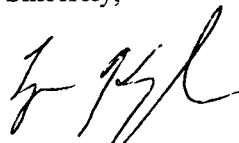
For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

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Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Lynn Kanzler', with a stylized flourish at the end.

Lynn Kanzler
Senior Reclamation Specialist

jb
Enclosure
cc: Mike Ford, BLM, Salt Lake FO
S03-63-apv